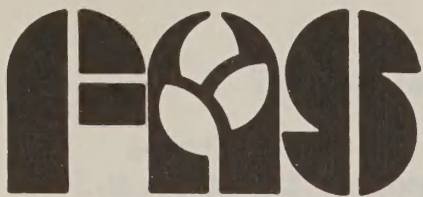


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# REPORT

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

United States  
Department of  
Agriculture

Foreign  
Agricultural  
Service

Washington, D.C. 20250

WR 4-83

WASHINGTON, Jan. 26--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## GRAIN AND FEED

CHINA has reportedly purchased 500,000 tons of ARGENTINE wheat, bringing total Chinese purchases of Argentine wheat to 1.5 million. China has a grain agreement with Argentina to purchase approximately 1 million-1.5 million tons of grain and oilseeds annually. However, high Argentine prices have kept Chinese purchases considerably below these levels, averaging only about 200,000 tons in the past two seasons.

China's current purchases makes it Argentina's second largest wheat market, surpassed only by the Soviet Union. Recent heavy sales activity has made it more likely that Argentina will be able to export its record wheat supply this season. To date, roughly half of the forecast 10 million tons of wheat available for export in the December-November 1982/83 year has been sold.

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ALGERIA's 1982/83 wheat and flour imports are expected to rise to roughly 3 million tons (wheat equivalent), up from 2.6 million in 1981/82 because of smaller domestic production. Drought and high temperatures during the growing season severely reduced the 1982 grain crop. Durum and soft wheat production fell 15 percent and 27 percent, respectively. Approximately 2.2 million tons of the imports are expected to be unmilled wheat; the remainder will be of semolina and flour.

The U.S. share of the Algerian market will be affected by Algeria's agreements with Canada and Argentina and subsidized wheat exports from the European Community. U.S. sales to date total 229,200 tons, compared with 575,400 tons a year ago.

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The SOVIET UNION recently announced the results of its 1982 economic performance. For the second consecutive year, no grain production figure was given. The value of total agricultural output in 1982 increased by 5 billion rubles (about 4 percent) over 1981. With the exception of cotton, the output of all crops and the major livestock products exceeded 1981 levels. However, all were below target for the year. Cattle and hog numbers were at record levels on January 1. Hog numbers showed an exceptionally sharp increase in 1982 following a steady decline since 1980.

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## OILSEEDS AND PRODUCTS

Although CHINA embargoed soybean imports from the United States last week, the action is not expected to have a major immediate impact on U.S. exports. In recent years, China's soybean imports declined, reflecting substantial expansion in domestic oilseed output. In 1982/83, China is expected to import 400,000 tons of soybeans, less than one-half the 1979/80 volume. Soybean imports of this amount would account for only about 1 percent of world soybean trade. Although U.S. soybean exports to China in 1981/82--at about 400,000 tons--represented the bulk of Chinese imports, there have been no U.S. sales in 1982/83.

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In INDIA, at least seven soybean processing units are currently being set up in the private and cooperative sectors. This has raised questions as to whether domestic production of soybeans can keep these plants and current processing plants operating at capacity. If not, imports of soybeans would become necessary. The President of the Soybean Processor's Association of India (SOPA) has asked the government to restrict the allocation of licenses for new soybean processing plants.

In 1981/82, India used less than 30 percent of the soybean meal it produced. The rest, approximately 200,000 tons, was exported. According to SOPA, 86,025 tons of soybean meal were exported during April-November 1982. Major destinations were Poland (30,130 tons); Romania (11,850); the Netherlands (8,250); Thailand (7,100); and Czechoslovakia (4,840).

\*\*\*\*\*

Consumers in the SOVIET UNION could soon find rapeseed oil to be a common product if government measures to expand production continue to be successful. In the early nineteenth century, more than 300,000 hectares of rapeseed were grown in the USSR, but disease and pest problems reduced the area to around 10,000 hectares in the late 1970s. The adoption of new technologies, equipment and improved varieties from Western Europe and Canada has resulted in an expansion in rapeseed area to 78,000 hectares in 1982, with plans for further increases.

Increased rapeseed output is a major development in the Soviet fats and oils industry. In addition to providing vegetable oil for human consumption, the meal is a protein feed for livestock. However, it remains to be seen if Soviet consumers will accept rapeseed oil for home use, particularly if the oil has any off-odor. In the past, Soviet consumers have been slow to accept new oil products, especially cooking oils.

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Fishmeal exports from the FISHMEAL EXPORTERS ORGANIZATION (FEO) countries, which account for the bulk of world exportable supplies, totaled 164,000 tons during November 1982--38 percent above the same month in 1981. However fishmeal production in November was only 76,000 tons, slightly above a year ago. Therefore, stocks continued to decline significantly.

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The cumulative data are as follows in 1,000 tons:

Country	Jan-Nov 1981			Jan-Nov 1982		
	Production	Exports	Ending Stocks	Production	Exports	Ending Stocks
Chile	566	397	248	634	582	245
Iceland	131	108	30	50	64	9
Norway	298	254	68	274	201	78
Peru	355	246	123	548	573	69
South Africa	151	5	18	137	1	18
Total	1,501	1,010	487	1,643	1,421	419

As of early January, fishmeal prices, basis Europe, strengthened to \$447 per ton--37 percent above the October low and 15 percent above a year earlier. The fishmeal/soybean meal price ratio is now about 1.86 to 1 compared with 1.62 to 1 a year ago.

The recent price increase reflects stock reductions in major exporting countries as well as uncertain fishing conditions off the Peruvian coast due to a recent warming current. A similar warming current cut 1973 Peruvian fishmeal production to only 423,000 tons, about one-fifth of the average output during the two previous years.

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Production prospects for INDIA's current rapeseed crop have improved as a result of rains during late December and early January, according to the U.S. agricultural counselor in New Delhi. Rapeseed production is predominantly located in Uttar Pradesh and Rajasthan, where early harvest is currently underway. The 1983 crop is expected to total 2.7 million tons, surpassing the 1982 record level of 2.6 million tons.

#### DAIRY, LIVESTOCK AND POULTRY

The GERMAN DEMOCRATIC REPUBLIC's feed distribution problems have adversely affected livestock production in 1982, according to the U.S. agricultural attache in Berlin. During 1982, hog and cattle numbers fell 6 and 1 percent, respectively. Beef production fell 3 percent in 1982 and a 4-percent decline is forecast for 1983. Reduced slaughter and the lowest carcass weights in 10 years have caused pork production to decline 5 percent in 1982. Pork production in 1983 is forecast to decline about 1 percent.

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SOUTH KOREA has raised the duty on its tariff quota level of beef tallow imports from 7 percent to 10 percent for the first half of 1983. Since 1974, South Korea has been using a flexible tariff system under which tariffs on certain items are changed temporarily to meet specific economic goals. The changes usually last for a period of six months.

For the second half of 1982, the South Korean flexible tariff on beef tallow was set at 7 percent until imports reached the quota ceiling of 117,840 tons. Under the present guidelines, the first 110,442 tons of beef tallow imported in 1983 are subject to a duty of 10 percent, after which the general tariff of 20 percent will take effect. During January-November 1982, South Korea's purchases of 57,136 tons of inedible tallow made it the fifth largest U.S. customer.

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Pork production in SOUTH KOREA set a new record in 1982 as a result of lower feed prices and greater demand due to a 30-percent increase in beef prices. According to the latest estimates of the U.S. agricultural counselor in Seoul, production expanded 20 percent to 250,000 tons.

Hog numbers were estimated at 2.4 million at the start of 1983, up 31 percent from last year and 100,000 head above the level required to maintain stable prices, according to government estimates. During 1982, slaughter hog prices were below year-ago levels, but low feed prices allowed production to be profitable. As of January, farmer margins remain favorable at about \$13.42 per head, or a 7-percent marketing margin. Due largely to the expansion in pork production, feed grain use was up 6.4 percent last year and mixed feed production was up nearly 23 percent.

For 1983, pork production is expected to expand by 4 percent to 260,000 tons, with feedgrain use up 5 percent and mixed feed up between 5 and 10 percent.

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WORLD ranch mink production during 1981/82 is estimated to have increased 7.6 percent to 24 million skins. Denmark became the world's leading ranch mink furskin producer during 1981/82, according to the Danish fur industry. Unlike most farm sectors in Denmark, the fur ranchers had another profitable year with production up 14 percent and total sales of skins up 25 percent to \$156 million. Production data are as follows in millions of skins:

	1980/81	1981/82
Denmark	4.000	4.550
United States 1/	4.000	4.400
Finland	4.100	4.050
Soviet Union 2/	2.700	2.800
Sweden	1.400	1.525
Canada	1.175	1.400
Other	4.925	5.275
Total	22.300	24.000

1/ Official U.S. production data will be published in mid-1983.

2/ Based upon exports. Source: Copenhagen Fur Auctions.

## SUGAR

POLAND's sugar production for 1982/83 was a record 1.98 million tons, raw value. The favorable result was due to warmer than normal weather through mid-January, which reduced postharvest losses prior to processing, and also a later harvest that resulted in a higher sugar content. Area harvested is estimated at 493,000 hectares, up about 5 percent over the 1981 level.

## FRUITS AND NUTS

Commercial production of table grapes in SELECTED COUNTRIES is expected to top 4 million tons in 1982--12 percent above the 1981 level. Output will rise in all countries except Argentina and Greece, which were plagued by adverse weather throughout the growing season. Italy remains the world's largest producer of table grapes, followed by the United States and Spain. Current estimates indicate these three countries supplied over two-thirds of the world's 1982 commercial requirement of table grapes. Production data are as follows in million tons:

	1980	1981	1982 1/
United States	.52	.48	.62
Europe			
France	.19	.17	.17
Greece	.25	.26	.25
Italy	1.48	1.44	1.57
Spain	.46	.49	.54
Yugoslavia	.24	.20	.24
Total	2.61	2.56	2.77
Japan	.32	.31	.36
Southern Hemisphere			
Argentina	.16	.11	.11
Chile	.09	.13	.16
South Africa	.07	.06	.07
Total	.32	.30	.35
Total selected countries	3.76	3.65	4.10

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1/ Preliminary.

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Deciduous fruit output in the MAJOR PRODUCING COUNTRIES of the world in 1982 is currently forecast at nearly 31.6 million tons, 13 percent above the weather-reduced 1981 crop. Exceptionally good deciduous crops were harvested throughout most of Europe. However, a substantial portion of the increase can be attributed to record pome fruit crops in West Germany and Yugoslavia.

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Production of deciduous fruits in the Southern Hemisphere during the 1982 season is expected to decline slightly despite record crops in both Chile and South Africa. Inclement weather in Argentina and New Zealand significantly reduced yields. Australian crops sustained extensive damage from prolonged drought in both Queensland and New South Wales.

After a disappointing season in 1981, Japan is expected to harvest larger crops of all major deciduous fruits. This near-record outturn, along with the projected increase in European output, is expected to more than offset the marginal shortfall forecast for North America and the Southern Hemisphere.

Fresh Deciduous Fruit Production in Selected Countries <sup>1/</sup>  
(Million Tons)

	1980	1981	1982 <sup>2/</sup>
North America			
Canada	.67	.50	.56
Mexico	.50	.51	.40
United States	7.33	6.58	6.41
Total	8.50	7.59	7.37
Europe			
France	2.94	2.64	3.06
Germany, Fed. Rep. of	3.08	1.35	4.35
Italy	5.11	5.02	5.33
Spain	1.94	2.33	2.11
Yugoslavia	1.48	1.72	2.09
Other	2.96	2.35	2.15
Total	17.50	15.41	19.09
Asia			
Japan	1.72	1.58	1.73
Southern Hemisphere			
Argentina	1.44	1.35	1.24
Australia	.55	.63	.56
Chile	.40	.45	.50
New Zealand	.26	.28	.27
South Africa	.82	.76	.83
Total	3.46	3.46	3.40
Total Selected Countries	31.18	28.04	31.59

<sup>1/</sup> Includes apples, pears, apricots, sweet and sour cherries, peaches, plums and prunes where applicable. <sup>2/</sup> Preliminary.  
Source: U.S. agricultural counselor and attache reports.

## Selected International Prices

Item	: January 25, 1983		: Change from : A year	
	:		: previous week : ago	
	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
ROTTERDAM PRICES 1/				
Wheat:				
Canadian No. 1 CWRS-13.5%*	199.00	5.42	-0-	202.00
U.S. No. 2 DNS/NS: 14%*...	185.00	5.03	-1.25	188.00
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--	199.00
U.S. No. 2 S.R.W.....	156.00	4.25	-3.00	166.00
U.S. No. 3 H.A.D*.....	171.00	4.65	-0-	209.00
Canadian No. 1 A: Durum*..	194.00	5.28	-.50	225.00
Feed grains:				
U.S. No. 3 Yellow Corn....	123.75	3.14	+4.25	129.50
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	144.00
Feed Barley 3/.....	N.Q.	--	--	N.Q.
Soybeans and meal:				
U.S. No. 2 Yellow.....	237.25	6.45	-0-	260.00
Brazil 47/48% SoyaPellets 4/	237.00	--	+3.00	N.Q.
U.S. 44% Soybean Meal.....	213.50	--	-4.00	240.50
U.S. FARM PRICES 5/				
Wheat.....	129.70	3.53	-.73	137.42
Barley.....	63.84	1.39	+.46	88.18
Corn.....	92.51	2.35	+1.18	94.88
Sorghum.....	92.81	4.21 6/	+.22	91.05
Broilers 7/.....	962.09	--	+9.70	915.79
EC IMPORT LEVIES				
Wheat 8/.....	108.42	2.95	+.39	88.30
Barley.....	110.35	2.40	-4.72	68.20
Corn.....	103.50	2.63	-7.64	98.70
Sorghum.....	99.60	2.66	--	84.40
Broilers 9/.....	303.00	--	-6.00 10/	245.00
EC INTERVENTION PRICES 11/				
Common wheat(feed quality)	184.80	5.03	-3.40	189.55
Bread wheat.....	203.37	5.54	-4.23	218.72
Barley and all				
other feed grains.....	184.80	--	-3.40	189.55
Broilers 12/.....	1104.00	--	+22.00	--
EC EXPORT RESTITUTIONS (subsidies)				
Wheat.....	76.13	2.07	-4.92	64.70
Wheat flour.....	N.Q.	N.Q.	N.Q.	N.Q.
Barley.....	87.58	1.90	--	37.66
Broilers 9/.....	195.00	--	-4.00 10/	143.00
Sugar, refined 13/.....	361.00	--	--	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Change in dollar value of broiler levy or restitution generally reflects currency fluctuations and not change in level set by EC. 11/ Basically the intervention price is the EC farm price support, determined annually. 12/ F.o.b. price for whole R.T.C. broilers at West German border. 13/ Week of Jan. 26, based on a maximum subsidy of 37.915 ECU's per 100 kg. N.Q.=Not quoted.

Note: Basis February delivery. \* April-May.

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